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ORGANIZATION AND MANAGEMENT
OF USSR CONSTRUCTION INDUSTRY

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In the USSR, construction and assembly work is usually performed by special organizations i. e., construction and assembly trusts, acting as contractors. These organizations sign a contract for performing certain work in accordance with a plan and estimate. This method of construction is called contract work. Under this method, the director of the enterprise under construction supervises the work of the contractor, approves the completed construction, and makes the necessary payments through a bank.

In the case of small construction projects, the construction and assembly work is done directly by the building organization or the operating industrial enterprise. In this connection, the management of the enterprise hires the construction workers and the administrative and technical personnel, procures construction materials, and organizes the process of construction.

The other method of construction, i. e., the contract method, is most frequently used in the USSR. There are two types of contracting construction organizations: the general and the specialized construction organizations. The general construction organizations, which usually perform the functions of a general contractor, assume the responsibility for completing all the construction work on a certain site. The specialized organizations perform only certain types of work such as excavation, sanitary engineering, finishing work, and assembly of metal structures and equipment. For example, the "Yuzhsantekhstroy" Trust installs water-supply, sewage, and ventilation systems for a number of construction projects in the Ukraine in cases where general construction trusts of the Ministry of Construction of Heavy Industry Enterprises act as general contractors.

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The basic contracting organizations are under the jurisdiction of the construction ministries, i. e., the Ministry of Construction of Heavy Industry Enterprises and the Ministry of Construction of Machine-Building Enterprises.

In addition to the all-union ministries for construction, there are construction ministries in some of the republics, i. e., the Ministry of Housing and Civil Construction in the RSFSR, the Ukrainian SSR, the Belorussian SSR, the Estonian SSR, the Latvian SSR, and the Moldavian SSR; the Ministry for Construction in the Lithuanian SSR; and administrations of rural and kolkhoz construction, and other contracting construction administrations, in a number of republics. Several other ministries, including the petroleum and coal industries, railways, electric power stations, etc., have contracting organizations belonging to the Main Administration for Construction (Glavstroy).

The annual state plan establishes the volume of work to be performed by construction ministries and main construction administrations of industrial ministries.

The administrative activity of construction trusts is broken down as follows:

1. Basic construction and assembly work, which is performed by construction and assembly administrations and serviced by subsidiary and auxiliary enterprises, transport units, supply divisions or offices, housing and public services organizations, and other cost-accounting units.
2. Production enterprises for the manufacture of construction materials, structures, and parts.
3. Timber procurement, which is carried out by organizing large timber managements.

Organization of Construction Administrations

When construction is carried out on a contract basis, a construction administration is organized on the construction site. This construction administration is a part of the general construction trust, which performs the work in the capacity of general contractor.

In the case of construction projects with a large volume of work (for example, over 45 million rubles a year), a construction trust is organized on the building site. For example, construction of the Magnitogorsk Metallurgical Combine, subordinate to the Ministry of Ferrous Metallurgy, is carried out by the "Magnitostroy" Trust as general contractor, under the Ministry of Construction of Heavy Industry Enterprises. This trust is an example of a "trust building site."

If the volume of work is not large (3-15 million rubles), only a construction administration is organized on the building site. For example, the construction of a number of enterprises of the food industry in Moscow is carried out by construction administrations of "Mospishchestroy" Trust.

The "Stroitel" Trust in Moscow, which is subordinate to "Glavtsentrostroy" (Main Construction Administration of the Center), Ministry of Construction of Heavy Industry Enterprises, carries out work on a number of construction sites in Moscow and other cities.

There are three types of contracting construction trusts: territorial-type trusts, servicing a number of customers in various cities; city-type trusts, servicing several customers in one city; and trusts building sites, working on only one construction project.

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A general construction trust building site or a construction administration of a territorial-type trust or of a city-type trust performs all the functions of a general contractor. These organizations carry out the construction work with their own means or with the help of subcontracting organizations.

A construction administration usually consists of a number of subdivisions. These subdivisions are functional parts within the apparatus of the chief of construction administration.

The production-technical division handles all matters pertaining to the production activity of the administration as follows: it is in charge of estimates and contracts, it turns over the completed building to the customers, it handles problems of labor and safety techniques, and it introduces new technical equipment.

The planning division plans the work of the administration and its sectors and prepares statistical reports.

The chief bookkeeping office keeps accounts on materials, wages, production, and cost of construction and assembly work, and on the volume and cost of the products and services of production enterprises and transport organizations.

The supply division supplies the various sectors of the administration with construction materials, fuel and lubricants, spare parts, tools, household items for the workers, and special and regular work clothes. Transport operations are usually handled by the supply division. In large construction projects, transport is handled by an independent unit operating on a cost-accounting basis.

The chief mechanic is responsible for the utilization and repair of construction mechanisms.

The personnel group is in charge of hiring workers and employees for the administration, keeping personnel accounts, organizing technical training of workers and employees, and supervising matters pertaining to housing facilities.

The execution of the work itself is handled by the work superintendents and foremen. The work superintendent supervises the construction of any building, installation, or group of small buildings and is responsible for fulfilling the plan in his sector. He supervises the foremen, who in turn supervise five to ten brigades of workers. The work superintendents and foremen supervise all workers employed directly in construction work on a given project (excavation workers, bricklayers, plasterers, painters, carpenters, and others).

Construction projects sometimes use the shop, or functional, system in organizing the sectors of construction work superintendents. Under this system, the superintendent supervises the foremen and workers' brigades performing certain types of work. For example, the construction administration has a superintendent for bricklaying, who handles the bricklaying work for all the projects of this construction administration.

The construction administration usually includes administrative units (khoz-yaystva) servicing all the work superintendents of this administration. These units include, (a) enterprises producing construction materials, semifinished products, and structural parts, such as quarries for stone, sand, gravel, and clay; a sawmill; a carpenter shop; a concrete plant; a plant for concrete and reinforced-concrete products; (b) transport units, including a motor vehicle park, a horse transport unit, a loading and unloading unit, and a railroad transport organization; (c) a housing and public services unit; (d) fire protection and guard units; and (e) procurement and storage facilities, such as supply systems and warehouses.

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In city-type trusts, the construction administrations are replaced by construction sectors, which supervise only the basic production. All subdivisions of nonbasic (i. e., auxiliary) production and other servicing units (supply, transport, extraction of materials, etc.) are directly subordinate to the trust.

A general construction trust, which supervises the work on several large construction sites, has a complex network of organizations. The structure of a general construction trust of the territorial type can be seen on appended chart. [A list of standard personnel of such a trust appears at the end of this report.]

A general construction trust includes construction and assembly administrations, enterprises for the production of construction materials, transport units, repair and machinery enterprises, a machine-renting base, a supply office, timber managements, and other units.

As an example, the structure of the "Sevkavtyazhstroy" [Northern Caucasus Heavy Industry Construction] general construction trust, Ministry of Construction of Heavy Industry Enterprises, is described below.

The administration of the trust is in Rostov-on-Don. The trust has five construction administrations, a construction sector, a machine-renting base, an administration of production enterprises, a motor vehicle repair workshop, a supply office with a loading and unloading unit, and a training combine; workers' supply divisions are under the trust and under each construction administration. All these administrative units operate on an independent bookkeeping balance. The administration of production enterprises includes three combines, a brick plant, and the "Stroykonstruktsiya" [structural parts] Plant. One combine includes the shops for reinforced-concrete products, lime-slag cement, and slag-concrete blocks and quarries for slag and rubblestone. Another combine supervises the woodworking shop, the lime shop, the shop for reinforced-concrete and slag products, and a stone quarry. The third combine consists of a sawmill shop, a woodworking shop, a gypsum shop, and shops for reinforced-concrete and construction plaster products. The "Stroykonstruktsiya" Plant includes a sawmill shop, woodworking and machine-repair shops, and a shop for metal structures.

Specialized administrations service a number of construction sites, the latter being subdivided into specialized sectors.

Large construction projects have a more complex administrative network. On the construction site of a large industrial plant, a general construction trust is usually organized to include construction sectors and administrative units and specialized organizations for the assembly of steel structures, for sanitary engineering work, for electric installations, etc.

The supervision of these organizations, the coordination of work periods, and the preparation of a general work schedule for the whole construction site are some of the functions of the general contractor. The general contractor does not have the right to intervene in the administrative work of his subcontractors.

The network of construction and assembly trusts and their administrative subdivisions has developed gradually. Each year all the ministries, after approving the year plan for construction and assembly work, coordinate the system and structure of their construction organizations with the requirements of the plan. New trusts are created only with the permission of the Council of Ministers USSR, and new organizations of republic subordination must be approved by the council of ministers of a republic.

In examining and approving the personnel requirements of construction trusts and administrations, these organizations are grouped into categories depending on the approved yearly work program, each category having its own personnel norms. The following are the most widely used groups of construction organizations:

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	<u>Work Volume Per Year</u> <u>(in million rubles)</u>	<u>Category Number</u>
	Over 70	Not subject to category
General construction trusts	45-70	I
	35-45	II
	20-35	III
Specialized trusts	Over 35	I
	25-35	II
	15-25	III
Construction administrations	Over 12	I
	6-12	II
	3-6	III
Construction-assembly and specialized administrations	Over 10	I
	5-10	II
	2-5	III

Large enterprises producing construction materials are organized as independent administrative units, subordinate to a trust. They are called production enterprises. These enterprises are assigned a production task and an approved plan (similar to the type of plan approved for industrial enterprises). Their production is included in the national economic plan. Production enterprises have an independent balance (balance of industrial activity) and their own report system.

Enterprises for the production of construction materials, included in the construction administrations of trusts, are called subsidiary enterprises. Their accounts are included in the general balance of the construction project and their workers are included in the labor reports for the construction project.

As a result of the expansion of the construction industry, it is possible to organize production enterprises servicing a number of construction projects in one region. Thus, it is unnecessary to establish production enterprises on every construction site.

The following table lists the number and types of standard personnel approved for a contracting construction organization. The number of employees and the wage rates are determined in accordance with the volume and type of work to be performed by the construction organization. Personnel lists are approved by the State Staff Commission of the Council of Ministers USSR for each ministry individually, taking into consideration the specific features of the construction and assembly work which is being carried out.

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Personnel of a Contracting Construction Organization

<u>Administrative Position</u>	<u>No of Employees</u>	<u>Wage Rate Per Month (in rubles)</u>
<u>A. Administration of Trust</u>		
Director of trust	1	2,000-2,500
Chief engineer-deputy director	1	2,000-2,500
Deputy director	1	1,600-1,800
Chief mechanic	1	1,200-1,300
Legal consultant	1	790-880
Secretary-typist	1	450-500
Total	6	
<u>Production and Technical Division</u>		
Division chief-deputy chief engineer	1	1,300-1,500
Senior engineer	2	980-1,100
Engineer	3	790-980
Technician	1	600-690
Total	7	
<u>Planning and Financial Division</u>		
Division chief	1	1,200-1,300
Deputy division chief for financial matters	1	980-1,100
Economist	1	690-880
Statistician	1	500-600
Cashier-collector	1	410-500
Total	5	
<u>Bookkeeping Office</u>		
Chief bookkeeper	1	1,200-1,300
Senior bookkeeper	1	690-880
Bookkeeper	2	600-690
Total	4	

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<u>Administrative Position</u>	<u>No of Employees</u>	<u>Wage Rate Per Month (in rubles)</u>
<u>Personnel Sector</u>		
Chief	1	980-1,100
Inspector	1	600-690
Total	2	
<u>Administration (Maintenance) Unit</u>		
General manager	1	500-600
Clerk-typist	1	410-450
Messenger-charwoman	1	260
Stove tender or cloakroom attendant	1	260-310
Total	4	
<u>Cost-Accounting Office of Supply</u>		
Office chief	1	1,200-1,300
Senior economist-deputy office chief	1	880-1,000
Senior commodity expert	1	690-790
Commodity expert	2	600-690
Agent	1	450-500
Senior bookkeeper	1	690-880
Accounting and file clerk	1	450-500
Warehouse supervisor	1	550-690
Warehouse man	1	450-500
Total	10	
Total for trust administration	38	
<u>B: Construction Administration</u>		
Chief of administration	1	1,500-1,750
Chief engineer-deputy chief	1	1,500-1,750
Chief mechanic	1	980-1,100
Senior inspector for personnel	1	690-790
Secretary-typist	1	450
Messenger-charwoman	1	260
Total	6	

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<u>Administrative Position</u>	<u>No of Employees</u>	<u>Wage Rate Per Month (in rubles)</u>
<u>Production and Technical Division</u>		
Division chief	1	1,100-1,300
Engineer	2	790-980
Technician	1	600-690
Total	4	
<u>Planning Division</u>		
Division chief	1	980-1,100
Economist	1	690-790
Total	2	
<u>Bookkeeping Office</u>		
Chief bookkeeper	1	980-1,100
Senior bookkeeper	1	690-790
Bookkeeper	1	600-690
Accounting clerk (One accounting clerk is hired for every 200 workers. If there are fewer than 200 workers, the accounting work is done by other bookkeeping personnel.)	--	450-500
Cashier-collector	1	450-500
Total	4	
<u>Supply Division</u>		
Division chief	1	980-1,100
Commodity expert	1	600-690
Agent-shipping clerk	1	450-500
Bookkeeper	1	600-690
Warehouse man	1	450-500
Total	5	
Total for construction administration	21	

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C. Construction Personnel (lineynny personal)

<u>Job Description</u>	<u>Monthly Wage Rate (in rubles)</u>	<u>Standard No of Workers</u>	
		<u>General Con- struction Work</u>	<u>Specialized Work</u>
Senior construction superin- tendent (chief of sector)	980-1,350	150	75
Construction superintendent	880-1,000	100-150	40-75
Foreman	690-880	40-60	30-50
Norm setter	600-690	150-300	150-300
Timekeeper	360-410	150-300	150-300
Bookkeeper*	500-600	--	--
Warehouse man**	450-500	--	--
Foreman for maintenance work and services	450-500	150	75

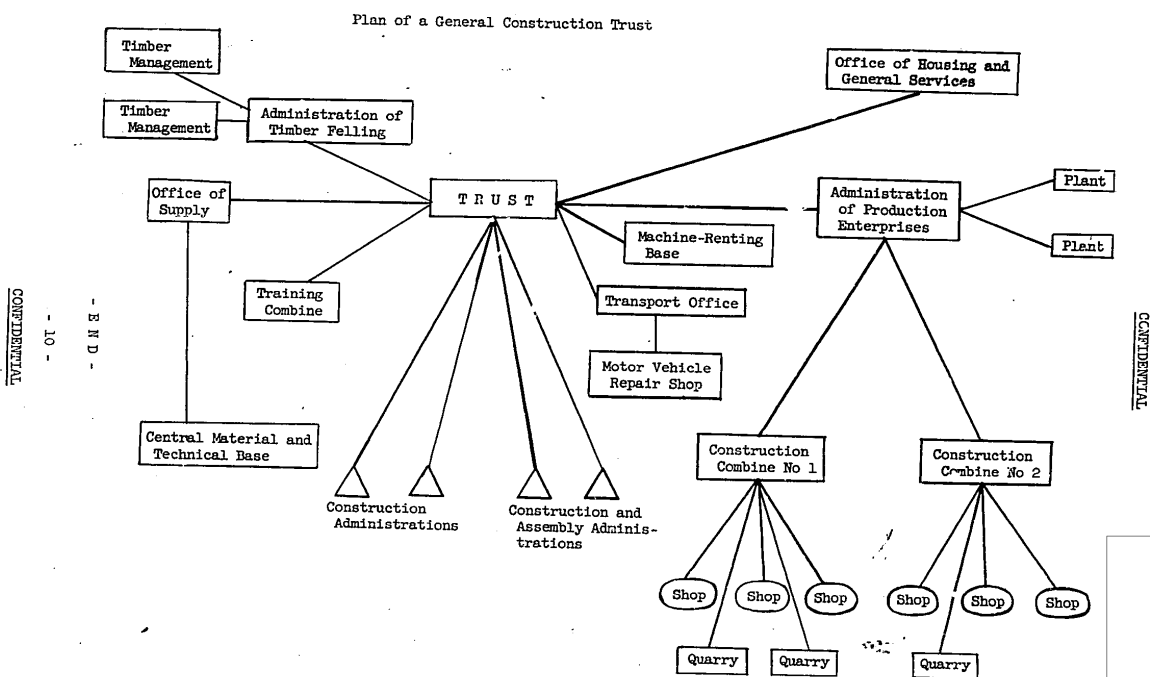
*If construction personnel are directly subordinated to the trust, the list of personnel includes one accounting clerk, with a wage rate of 450-500 rubles per month, for every 200 workers. If there are fewer than 200 workers, the accounting operations are handled by other bookkeeping personnel.

**On construction sites which are located at a distance of more than 60 kilometers from the construction organization, the number of warehouse men is determined by the number and location of warehouses.

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